A. Ayo Sanderson Counsel



Verizon New Jersey Inc. 540 Broad Street, Floor 17 Newark, NJ 07102 Phone 973.649.2946

Fax 973.482.8466 aayo.sanderson@verizon.com

January 7, 2002

#### Via E-Mail and Regular Mail

Blossom A. Peretz, Esq. Division of the Ratepayer Advocate 31 Clinton Street 11<sup>th</sup> Floor Newark, NJ 07101

Frederick C. Pappalardo, Esq. AT&T Communications of NJ, L.P. 295 N. Maple Avenue Room 3136C2
Basking Ridge, NJ 07920

Re: In the Matter of the Consultative Report on the Application of

Verizon New Jersey Inc. for FCC Authorization to Provide In-Region,

InterLATA Service in New Jersey

Docket No. TO01090541

Dear Ms. Peretz and Mr. Pappalardo:

Enclosed please find Verizon New Jersey's revised responses and attachments to RPA-112 and RPA-131. Please note that the responses and attachments contain highly proprietary data and must be appropriately safeguarded.

Very truly yours,

AAS:cld Enclosure(s)

cc: Henry Ogden, Esq., Secretary, Board of Public Utilities (via e-mail and hand delivery)
Eugene Provost, Esq., Deputy Attorney General (via e-mail and hand delivery)
Anthony Centrella, Director, Board of Public Utilities (via e-mail and hand delivery)
Jim Murphy, Board of Public Utilities (via e-mail and hand delivery)

VERIZON NEW JERSEY INC.
BPU DOCKET NO. TO01090541
RATEPAYER ADVOCATE SET 1, REQUEST #112
WITNESS: VERIZON NEW JERSEY INC.

**REQUEST:** 

For each type loop identified in paragraph 134 on page 51, what is the corresponding number of loops in service for each state when Verizon filed for 271 in those states and what was the number of loops in each category as of the date the FCC approved the 271 application, and as of June, 2001 and as of September 2001?

RESPONSE:

Verizon NJ objects to this request on the ground that it is not relevant to this proceeding or reasonably calculated to lead to the discovery of information relevant to the Board's consideration of Verizon's 271 Checklist Compliance in New Jersey. Verizon further objects on the grounds that this request is overly broad and unduly burdensome.

#### Revised Response (as directed by Board Order):

Verizon NJ objects to this request on the ground that it is not relevant to this proceeding or reasonably calculated to lead to the discovery of information relevant to the Board's consideration of Verizon's 271 Checklist Compliance in New Jersey. Additionally, it requests proprietary and competitively-sensitive information. Subject to these objections, Verizon NJ responds:

See proprietary attachment, RPA 112 Att.doc. Due to the highly confidential nature of the data sought, Verizon NJ will provide responsive data for 2001 under seal to the Board only. (Please note that Verizon NJ inadvertently did not accord "highly proprietary treatment" to the Massachusetts data previously provided in response to AT&T Transcript Request Page 1214, which was, in any event, designated "Private and Confidential".)

Attachment RPA 1-112 BPU ONLY

State	FCC Filing		FCC Approval		<u>June 2001</u>	Sept 2001
	(Month filed) - Data Month used in Filing		Month Approved			
NY	(9/99) - 7/99	44,463 standalone loops	12/99	75,218 standalone loops	285,131 standalone loops	308,864 standalone loops
		132,383 UNE-P loops		318,647 UNE-P loops	1,757,655 UNE-P loops	1,768,380 UNE-P loops
Mass	(1/01) - 11/00	69,755 standalone loops	4/01	105,316 standalone loops	116,964 standalone loops	128,678 standalone loops
		23,472 UNE-P loops		41,326 UNE-P loops	47,833 UNE-P loops	54,862 UNE-P loops
Conn	(4/01) - 2/01	634 standalone loops	7/01	1,014 standalone loops	825 standalone loops	1,251 standalone loops
		0 UNE-P loops		l UNE-P loops	0 UNE-P loops	2 UNE-P loops
					Note: prior to FCC approval	
PA	(6/01) - 4/01	165,065 standalone loops	9/01	192,553 standalone loops	179,636 standalone loops	192,553 standalone loops
		222,191 UNE-P loops		275,806 UNE-P loops	249,144 UNE-P loops	275,806 UNE-P loops
					Note: prior to FCC approval	Note: FCC Approval month
NJ	(12/01) - 10/01	58,490 standalone loops	Pending		55,890 standalone loops	57,300 standalone loops
		21,606 UNE-P looops			11,428 UNE-P loops	18,724 UNE-P loops
					Note: prior to FCC approval	Note: prior to FCC approval

VERIZON NEW JERSEY INC. BPU DOCKET NO. TO01090541

RATEPAYER ADVOCATE SET 1, REQUEST #131

WITNESS: VERIZON NEW JERSEY INC.

REQUEST:

Provide the number of unbundled local switching ports (as part of UNE-P combinations) as of September 2001 and provide the number in other Verizon states where 271 authority was granted as of September 2001? See paragraph 254.

RESPONSE:

Verizon NJ objects to this request on the ground that it is not relevant to this proceeding or reasonably calculated to lead to the discovery of information relevant to the Board's consideration of Verizon's 271 Checklist Compliance in New Jersey. Verizon further objects on the grounds that this request is overly broad and unduly burdensome. Notwithstanding its objections, Verizon NJ responds as follows: September, 2001 data is not available. The number of unbundled local switching ports associated with UNE-P combinations as of August, 2001 is 16,746.

#### Revised Response (as directed by Board Order):

Verizon NJ objects to this request on the ground that it is not relevant to this proceeding or reasonably calculated to lead to the discovery of information relevant to the Board's consideration of Verizon's 271 Checklist Compliance in New Jersey. Additionally, it requests proprietary and competitively-sensitive information. Subject to these objections, Verizon NJ responds:

Due to the highly confidential nature of the data sought, Verizon NJ will provide responsive data for other states under seal to the Board only. (Please note that Verizon NJ inadvertently did not accord "highly proprietary treatment" to the Massachusetts data previously provided in response to AT&T Transcript Request Page 1214, which was, in any event, designated "Private and Confidential".) As of September 30, 2001, following are the number of unbundled local switching ports associated with UNE-P combinations:

#### BEGIN HIGHLY CONFIDENTIAL VERIZON PROPRIETARY DATA

NY 1,768,380 Mass 54,862 Conn 2 PA 275,806

END HIGHLY CONFIDENTIAL VERIZON PROPRIETARY DATA

NJ

18,724



Gregory K. Smith Senior Attorney

Room 3133C2 295 N. Maple Avenue Basking Ridge, NJ 07920 908 221-8960 FAX 908 221-8938 gregoryksmith@att.com

December 21, 2001

#### VIA HAND DELIVERY

Henry Ogden, Esq. Acting Secretary New Jersey Board of Public Utilities Two Gateway Center Newark, NJ 07102

Re:

I/M/O the Consultative Report on the Application of Verizon New Jersey Inc. for FCC Authorization to Provide In-Region, InterLATA Service in New Jersey

BPU Docket No. TO01090541

Dear Acting Secretary Ogden:

AT&T Communications of NJ, L.P. ("AT&T") submits for the Board's consideration in connection with the above-referenced proceeding the attached change control notice (CC# CCNJ2001-03260-Pro) that Verizon New Jersey Inc. ("VNJ") delivered to interested parties immediately after the final briefing deadline. See Attachment 1. The notice advises that for the past 17 months VNJ has failed to include data from five of the six area codes in New Jersey in calculating two of its performance metrics related to provisioning – PR-6-01 (% Installation Troubles Reported Within 30 Days) and PR-6-03 (% Installation Troubles Reported Within 30 Days, FOK/TOK/CPE).

This significant error provides additional support for AT&T's position that the Board must reject VNJ's request for a favorable consultative report because VNJ's monthly performance reports are inaccurate, incomplete and unreliable. Unreliable performance reports undermine VNJ's claim that it provides non-discriminatory access to its operations support systems ("OSS") and the Board's ability to use remedies based on defective metrics to detect and sanction anticompetitive backsliding by VNJ. Moreover, this latest change control notice emphasizes once again the pitfalls of relying on the purported "perfect score" on the KPMG test that VNJ has been

Although the number of area codes in New Jersey recently increased, during the impacted months of June 2000 through October 2001, the six area codes in New Jersey were 201, 609, 732, 856, 908, and 973.

Henry Ogden, Esq., Acting Secretary December 21, 2001 Page 2 of 2

touting. The Board should be left wondering, as is AT&T, why the KPMG metrics replication test failed to detect this problem and how VNJ can justify its decision not to disclose such relevant information during this proceeding.

AT&T respectfully requests that the Board take judicial notice of this recent change control notice for several reasons. Foremost among them, the inaccurate reporting of these metrics for 17 months and VNJ's failure to correct the results corroborates the assertions made by AT&T about VNJ's performance reports in its initial and reply briefs in this matter. Second, the record in this proceeding remains open. AT&T still has a motion to compel outstanding. WorldCom, Inc. and Consolidated Edison Communications, Inc. and CTC Communications Corp. have outstanding motions to supplement the record on UNE rates and dark fiber, respectively. And finally, VNJ's issuance of the change control notice to interested parties and Board Staff at 9 p.m. on the day that reply briefs were due in this matter reeks. The notice itself reveals that the errors were discovered during an internal review in October 2001. Even if VNJ had issued the notice only hours earlier, AT&T certainly would have included this information in its reply brief.

Respectfully submitted,

Gregory K. Smith Gregory K. Smith

Attachment

cc: Attached Service List (by e-mail and regular mail)

#### January 4, 2002

#### Via FEDERAL EXPRESS & Email

Henry Ogden, Esq., Acting Secretary New Jersey Board of Public Utilities Two Gateway Center Newark, NJ 07102

Re: In the Matter of the Consultative Report on the Application of Verizon New larger Inc. for ECC Authorization to Provide In Region InterlATA Service

Jersey, Inc. for FCC Authorization to Provide In-Region, InterLATA Service in

New Jersey

Docket No. TO01090541

Dear Mr. Ogden:

This letter is submitted in further support of the motion filed by WorldCom, Inc. (WorldCom) on November 27, 2001, and renewed and supplemented on December 21, 2001, to update the record in this case to determine whether Verizon New Jersey Inc. (Verizon) is complying with the new UNE rates established by the Board in the UNE rate proceeding (I/M/O the Board's Review of Unbundled Network Elements Rates, Terms and Conditions of Bell Atlantic-New Jersey, Inc., Docket No. TO00060356), which in turn affects the Board's determination as to whether Verizon is complying with Checklist Item 2 of Section 271. WorldCom notes that its December 21 filing is unopposed as of this date.

Three additional issues relating to Verizon's unreasonable practices and policies concerning UNE rates have arisen. These issues are the subject of a WorldCom motion for a supplemental ruling being filed in the UNE docket contemporaneously with this letter. However, because these issues directly relate to Verizon's compliance with Checklist Item 2 of Section 271, WorldCom is also asking that the Board take official notice of this motion, and direct Verizon to explain *in this docket* why its practices should not be found to be inconsistent with Verizon's obligations to provide CLECs with nondiscriminatory access to network elements.

A copy of WorldCom's motion in the UNE docket is attached hereto.

Henry Ogden, Esq., Acting Secretary December 21, 2001 Page 2

Respectfully submitted,

James H. Laskey

Of counsel: Chana S. Wilkerson WorldCom, Inc.

cc: Service List

January 4, 2002

#### Via FEDERAL EXPRESS and Email

Henry Ogden, Esq., Acting Secretary New Jersey Board of Public Utilities Two Gateway Center Newark, NJ 07102

Re:

In the Matter of the Board's Review of Unbundled Network Elements Rates,

Terms and Conditions of Bell Atlantic-New Jersey, Inc.

Docket No. TO00060356

Dear Mr. Ogden:

WorldCom files this letter motion for a supplemental ruling related to three issues that have emerged subsequent to the Board's Summary Order dated December 17, 2001.

## Issue 1: Verizon Imposes Different Reciprocal Compensation and End Office Switching Rates, Contrary to the Board's Order.

The Board's Summary Order finds that the Reciprocal Compensation Rate (at the end office) and the End Office Switching Rate should be equal. Summary Order, p. 12. Verizon's "compliance" filing of December 10, 2001, however, provides for a "Termination at End Office" rate of \$0.001885. This is different from either of the end office switching rates (\$0.002773 originating and \$0.002508 terminating).

It is unclear on the basis of this record how Verizon derived the Termination at End Office Rate in its December 10 filing.

Henry Ogden, Esq. January 9, 2002 Page 2

Issue 2: Verizon intends to charge two minutes of the "per Minute Of Use" switching rate for each minute of an intra-switch local call, in effect almost doubling the "per MOU" rate for intra-switch local calls.

In its current Section 271 Application Proceeding at the Federal Communications Commission (FCC), Verizon has submitted an *ex parte* document in response to a series of questions posed by FCC staff. A copy of the Verizon submission is attached hereto. In its submission, Verizon describes – for the first time – how it intends to <u>apply</u> certain rates and charges that the Board recently established in this docket.

In response to FCC Question 1, Verizon makes clear that it intends to impose on CLECs utilizing the UNE Platform a charge for a minute of originating local switching <u>and</u> a minute of terminating local switching for each minute of a local call placed by a CLEC customer to a Verizon customer served by the same switch (an intra-switch local call). This means that Verizon will be charging a rate of \$0.005281 (\$0.002773 plus \$0.002508) for each minute of intra-switch local calling.

Verizon's attempt to charge both an originating minute rate and a terminating minute rate for any one minute of intra-switch calling is wrong. As the Board knows, the "per MOU" rate that Verizon charges was derived by dividing the so-called "traffic sensitive" switch costs by the number of (peak) minutes traversing the switch. When a customer makes an intra-switch local call, that call traverses the switch for only one minute for each minute of the call. It does not traverse the switch twice. As a result, Verizon's attempt to impose both an originating per MOU rate and a terminating per MOU rate for intra-switch calls amounts to double charging.

Verizon's proposed charging for <u>inter</u>-switch calls highlights the fact that Verizon's proposed intra-switch charging is wrong. In response to FCC Question 3 (relating to inter-switch calling), Verizon states that – for each minute of an inter-switch call – it will charge one minute of originating switching at the originating switch, one minute of transport, and one minute of terminating switching at the terminating switch. Although this raises another issue (see Issue 3, below), this charging is at least consistent with the network usage. For each one minute of an inter-switch call, there is a minute of use on the originating switch and a minute of use on the terminating switch (plus a minute of transport in between). This Verizon policy at least demonstrates that at the first switch there is only one minute of switch usage for each one minute of calling. Thus, the per-MOU switching rate should apply only once.

The same logic holds true for intra-switch calling – there is only one minute of switch usage for each one minute of intra-switch calling, thus only one minute of the per MOU rate

<sup>&</sup>lt;sup>1</sup> This calculation of the "per MOU" rate is subject to a pending motion for clarification for separate reasons.

Henry Ogden, Esq. January 9, 2002 Page 3

should apply. As a result, the Board should clarify that Verizon should be permitted to charge only one per-MOU switching rate for each one minute of any intra-switch call.<sup>2</sup>

### ISSUE 3: Verizon improperly charges terminating local switching (instead of reciprocal compensation) on the terminating end of an inter-switch call.

In the same *ex parte* submission, in response to FCC Question 3, Verizon states that it intends to charge CLECs – for each minute of an inter-switch local call – a minute of originating local switching, a minute of transport, and a minute of terminating local switching. Conceptually, this corresponds to the usage of the network, but Verizon's attempt to charge terminating local switching, instead of reciprocal compensation, improperly inflates CLECs' costs.

When a CLEC customer served by Switch A calls a Verizon customer served by Switch B, the call leaves Switch A (for which the CLEC is charged originating local switching), is transported to Switch B (for which the CLEC is charged common transport), and then is terminated at Switch B to the Verizon customer. The issue is whether the CLEC should be charged the unbundled local switching (terminating) rate, or the reciprocal compensation rate, for the termination of this call. Verizon, of course, wants to apply the higher local switching rate, thereby increasing the rate charged to CLECs by about 33% (\$0.002508 rather than \$0.001885)

This issue relates to Issue 1, in that it arises primarily because Verizon has attempted to impose different rates for reciprocal compensation and local switching.

Functionally, the termination of the local call at Switch B is the same whether it is called local switching or reciprocal compensation. Further, the call in question is being terminated at Switch B to a Verizon customer (not a CLEC customer). Thus, this termination at Switch B fits the classic definition of reciprocal compensation. In short, there is no reason why Verizon should be permitted to charge anything more than the reciprocal compensation rate for calls terminated to their customers at Switch B.

Accordingly, the Board should clarify that Verizon is not permitted to charge more than reciprocal compensation (instead of unbundled local switching) when inter-switch calls from CLEC customers (via UNE-P) terminate to Verizon customers.<sup>3</sup>

<sup>&</sup>lt;sup>2</sup> Verizon's attempt to double charge the "per MOU" rate is mooted if the Board were to require Verizon to offer a flat rated switching rate design. Indeed, Verizon's attempt to double charge the per MOU rate highlights the superiority of the flat rated switching rate design over the per port/per MOU rate design that Verizon insists upon.

<sup>&</sup>lt;sup>3</sup> Of course, if the unbundled local switching per MOU rate were equal to the reciprocal compensation rate, this would not be an issue. The problem arises in New Jersey because

Henry Ogden, Esq. January 9, 2002 Page 4

Respectfully submitted,

James H. Laskey

Of counsel: Chana S. Wilkerson WorldCom, Inc.

cc: Service List

Verizon's unbundled local switching per MOU rate is greater than the reciprocal compensation rate.



Frederick C. Pappalardo Senior Attorney

Room 3136C2 295 N. Maple Avenue Basking Ridge, NJ 07920 908 221-5224 FAX 908 221-8938 fpappalardo@att.com

January 7, 2002

#### **BY HAND**

Henry Ogden, Esq. **Acting Secretary** Board of Public Utilities State of New Jersey Two Gateway Center Newark, NJ 07102

Re:

I/M/O the Consultative Report on the Application of Verizon New Jersey Inc. for FCC Authorization to Provide In-Region, InterLATA Service in New Jersey

BPU Docket No. TO01090541

#### Dear Acting Secretary Ogden:

AT&T Communications of NJ, L.P. ("AT&T") submits this letter in order to present new facts that are directly relevant to the issues pending before the Board in the above-referenced matter. These new facts further demonstrate that Verizon New Jersey Inc.'s ("VNJ") Section 271 application should not be supported by the Board.<sup>1</sup>

In the Board's Summary Order in the UNE proceeding, Docket No. TO00060356, the Board adopted numerous rates with respect to unbundled network elements ("UNEs"). As the Board is well aware, these rates must be consistent with the TELRIC methodology and implemented appropriately in order for VNJ to satisfy checklist item (ii).<sup>2</sup>

Of course, VNJ's obligations pursuant to checklist item (ii) extend beyond implementing TELRIC

compliant rates.

In what may only be viewed as "thumbing its nose" at the Board and the Board's processes, VNJ filed for Section 271 authority with the Federal Communications Commission ("FCC") on December 20, 2001. Thus, this Board must decide whether to file a consultative report with the FCC by January 14, 2002, regardless of whether this deadline comports with the timetable on which the Board would have preferred to act. For the reasons previously set forth by AT&T and every party but VNJ, a consultative report, if issued, should not support VNJ's request.

Henry Ogden, Esq. Acting Secretary January 7, 2002 Page 2 of 3

In the limited time available to review these rates, it is plain that the non-recurring cost ("NRC") rates for hot cuts are not consistent with TELRIC and would not lead to irreversible competition in the local exchange market. The NRC rate for a two wire hot cut initial, without premises visit, is \$159.76 and for a four wire hot cut initial, without premises visit, the rate is \$157.86. There is little question that these rates substantially exceed TELRIC compliant rates, which should be no more than \$2.77. Both of the new hot cut rates also substantially exceed the NRC rate for two wire or four wire initial installation as well as the current rates used for hot cuts, which are no more than \$32.16.

TELRIC requires that this rate be based on VNJ's forward looking costs of efficiently providing this service. If VNJ were truly committed to serve its wholesale customers, these hot cuts would occur on a fully mechanized basis and would cost even less than the \$2.77 AT&T has recommended. VNJ's \$160 hot cut rate, however, reflects substantial manual processing and inefficiency. If implemented as VNJ proposes, the rate will reflect a barrier to entry that violates § 253 of the Telecommunications Act.

VNJ's hot cut rates would severely harm the Board's efforts to open the local market to competition. This Board has stated that it favors facilities-based competition. Status of Local Competition: Report and Action Plan, Docket No. TX98010010, dated July 1998, at 10. If these hot cut rates remain in effect, there will be minimal facilities based competition, particularly for residential and small business customers. It also would be expected that carriers would consider abandoning New Jersey in favor of states where rates are closer to TELRIC, such as Pennsylvania, which has a hot cut rate of \$4.07 (Verizon-PA. Tariff P.U.C. - No. 216, Section 3, 4th Revised Sheet 6) or New York, which has a hot cut rate of \$23.97 (Verizon New York's UNE Tariff No. 10, §5.5.2).

Recent events confirm these facts. By letter dated December 28, 2001, Cavalier Telephone Mid-Atlantic, L.L.C. ("Cavalier"), in Docket No. TO00060356, notified the Board that it must withdraw from the New Jersey residential market if the new hot cut NRC rates remain in effect. As Cavalier explained, these costs cannot generally be passed onto customers that may wish to switch providers. Consequently, these exorbitant NRC rates become a high barrier to entry and to remaining in the market. Cavalier's plight would be typical of any CLEC intending to serve residential or small business customers using its own switch and other facilities while still depending on VNJ for the "last mile" loop.

Henry Ogden, Esq. Acting Secretary January 7, 2002 Page 3 of 3

These facts are yet further evidence that the New Jersey local market is not irreversibly open to competition and that VNJ's Section 271 request is premature. This Board should not endorse VNJ's Section 271 application at this time.

Respectfully submitted,

Frederick C. Pappalardo

Frederick C. Pappalardo

Gregory K. Smith

Gregory K. Smith

cc: Attached Service List (by e-mail and regular mail)



# State of New Jersey Board of Public Utilities Two Gateway Center Newark, New Jersey 07102

John O. Bennett Acting Governor

Connie O. Hughes

President

Tel: (973) 648-2503 Fax: (973 648-4195

January 9, 2002

Via Facsimile and Regular Mail

Bruce D. Cohen, Esq. Verizon New Jersey, Inc. 540 Broad Street Newark, NJ 07102

Dear Mr. Cohen:

By this letter, I wish to formally advise you of certain actions taken by the Board at its January 9, 2002 Agenda Meeting. As part of its review of Verizon New Jersey's compliance with Section 271 of the Telecommunications Act of 1996, the Board determined that a finding of compliance with Checklist Item 2, is conditioned on Verizon charging no more than the new UNE rates to all CLECs in New Jersey effective December 17, 2001. The Board noted that a Verizon challenge of the validity or effective date of the rates or any attempt to increase or otherwise change these rates, will call into question whether modified rates would be TELRIC complaint, and, therefore, also call into question the Board's finding of compliance with Checklist Item 2. Verizon was further required to provide the Board by the end of business on January 10, 2002, an officer's certification that these rates are being charged effective December 17, 2001.

Please accept their letter as your notification of this Board action, and the requirements that it has imposed on Verizon New Jersey.

Respectfully submitted,

Henry M. Ogden

Henry M. Ogden Acting Secretary

57 1 Commissioner Butler? 2 COMMISSIONER BUTLER: Thank you. 3 Thank you, President Hughes. I want to preface my remarks by 5 reminding some of you who were at my б swearing in of my comments about my 7 Italian heritage. Despite my last name, I 8 am half Italian. And that brings good 9 things to me and things --- and brings 10 some other things to me that my wife and 11 my close non-Roman relatives call "my 12 Italian temper". 13 And I am going to apologize in 14 advance if my Italian temper gets 15 activated today, because I have some very 16 strong feelings about this case. I am not 17 happy at all about this case and this 18 docket and the way it has proceeded, and 19 it is not simply for the reason you may 20 think and that is the accelerated way in 21 which Verizon has caused this Board to 22 23 deal with this issue. We will come back to Verizon in a 24 moment. I am frankly angry at all the 25

J.H. BUEHRER & ASSOCIATES (973) 623-1974

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5 B parties to this case. I am appalled at the rampant self-interest exhibited by all of the parties and what I feel is the accompanying disregard for the ratepayers and telephone customers of this State. Perhaps Congress set up the system

when in 1996 they established a procedure that boiled down to its simplest, if one group wanted to go --- is isolated to fish in this pond and another group is isolated to fish over here and if they want to fish in each other's ponds, one group has the veto power over the other one by its own actions.

And those of you who are familiar with the telecom policy know what I'm talking about. Those of you who are not familiar, which is where I was 2-1/2 years ago, it would take days for me to explain all that, so we will leave it at that.

Basically what one view has is that if the CLECs decide to stay out of the local market of Verizon, they can claim there is no local competition and

J.H. BUENRER & A680CIATES (973) 623-1974

use that as an excuse to say, "Deny Verizon's entry into long-distance."

Another view has it that it is

Verizon who is stubbornly refusing to

yield to the reality of the competitive

mandate and attempts at every turn to

thwart entry of competitors into the local

market. As usual, the truth lies

somewhere inbetween.

This Heard has heard all kinds of complaints from the competitors as to why they have been hindered in competing in the local market. We addressed and Director Centrella has gone through the list of arguments why competitors were hindered from entering the local market. In my mind, we fixed all of those problems, and still other excuses have been offered.

The testing as certified by the OSS is better than any other state has tested it. We streamlined the entry process. We set the lowest interconnection rates in the region and probably the third lowest in the country

J.H. HUEHRER & ASSOCIATES (973) 623-1974

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and still the calls for delay continue and the excuses multiply. The only excuse we haven't heard is the dog ate my interconnection agreement. Well, the time has come to fish or cut bait.

Let me turn to Verizon now.

This Company needs to know that I am truly outraged by your lack of respect for this Board, demonstrated by your filing for your 271 approval at the FCC before this Board had finished its deliberations of the merits of this case. You requested and some might say demanded that this Board act in December, less than 48 hours after the final papers were filed in this case.

when we declined to act, you went directly to the FCC and in an attempt to force our hand by the FCC Rules, if we don't act by this week, our input will not be considered and that is not an acceptable option for the State of New Jersey, not to have its voice heard at the FCC.

J.H. BUEHRER & ASSOCIATES (973) 623-1974